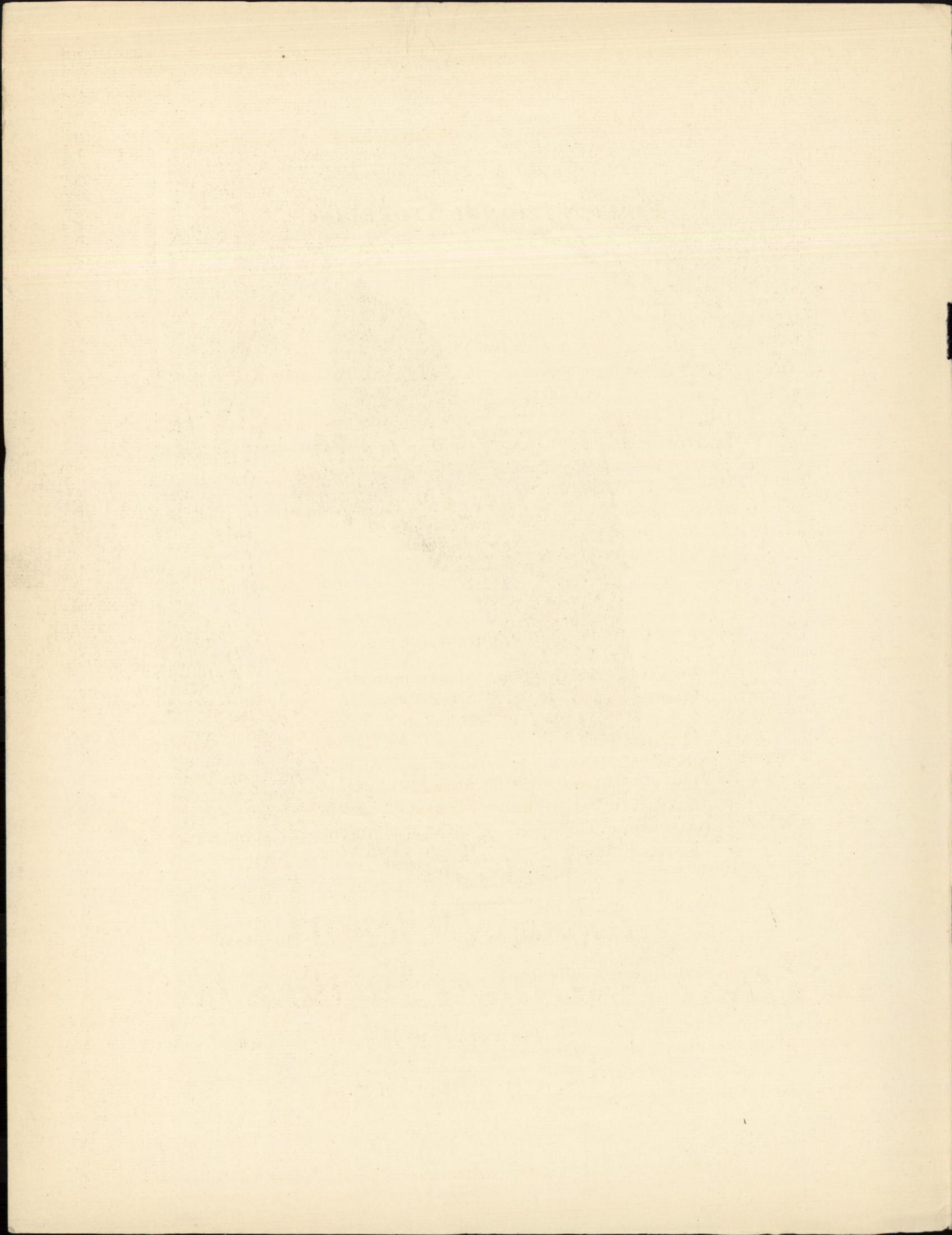


Annual Report
FIRST NATIONAL STORES INC.
year ending

MPG
 Copy File
 BOARDS
 9666.7224
 F610x

March 29th 1930



FIRST NATIONAL STORES INC.

Officers

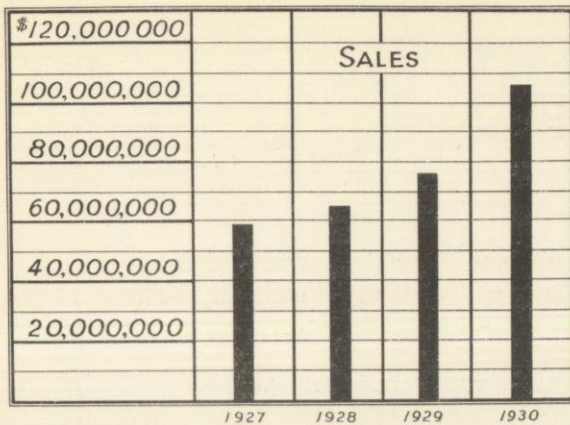
CHARLES H. FARNSWORTH, *President* AUGUSTUS F. GOODWIN, *Chairman*
 CHARLES F. ADAMS, *Treasurer*

JAMES C. DUANE *Vice-President*
 MARTIN CURRY *Vice-President*
 ARTHUR E. DORR *Vice-President*
 BERNARD F. MCGOLDRICK *Vice-President*
 MORRIS JOSELOFF *Vice-President*
 RALPH F. BURKARD *Assistant Treasurer*
 ARTHUR O'KEEFFE *Clerk*

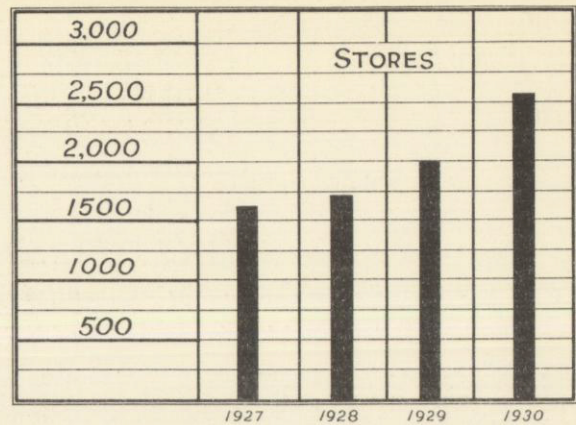
Directors

CHARLES F. ADAMS	MORRIS JOSELOFF
CHARLES H. BURGER	SAMUEL JOSELOFF
RALPH F. BURKARD	BERNARD F. MCGOLDRICK
MARTIN CURRY	JOHN L. MCHENRY
ARTHUR E. DORR	CHARLES E. MERRILL
JAMES C. DUANE	ARTHUR O'KEEFFE
CHARLES H. FARNSWORTH	MICHAEL O'KEEFFE
AUGUSTUS F. GOODWIN	ROLAND C. POWERS
ROBERT F. IRWIN	NATHANIEL E. WHITTEMORE

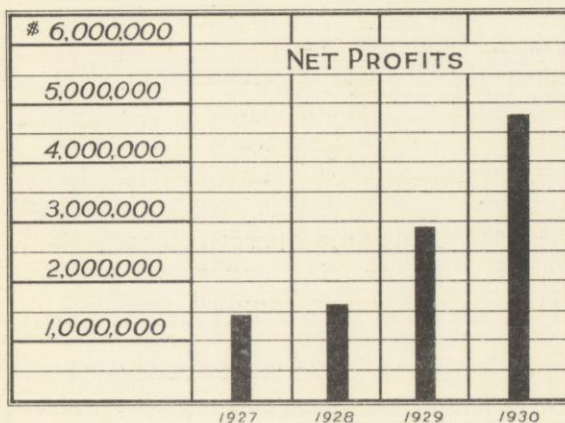
JUN 30 1930



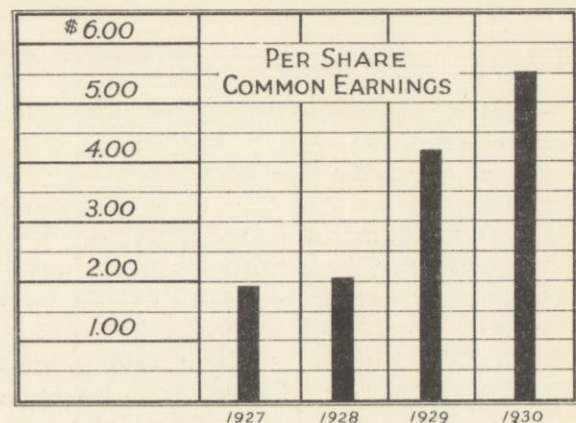
Retail Store Sales Years Ending March 29th
 1927 \$59,038,304 1929 \$75,884,639
 1928 64,445,962 1930 107,635,216



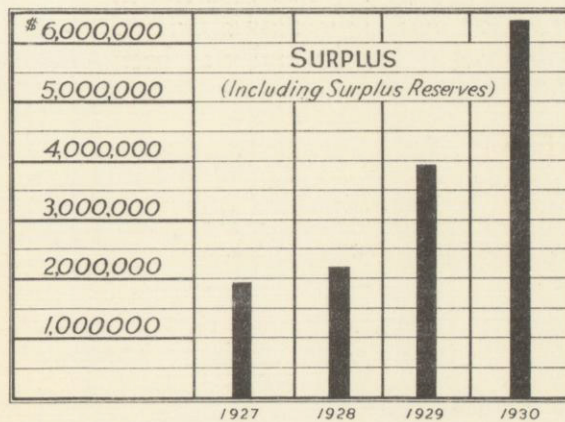
Stores Years Ending March 29th
 1927 1681 1929 2002
 1928 1717 1930 2549



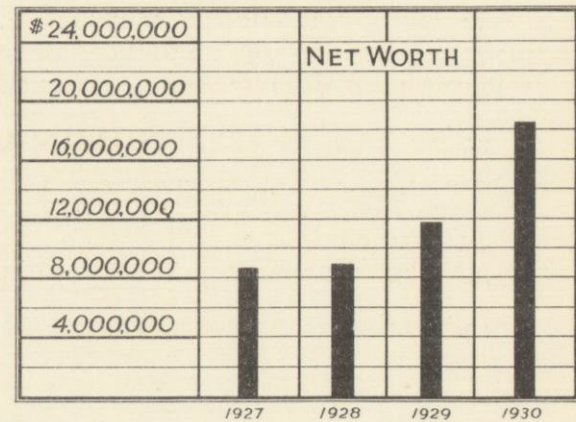
Net Profits Years Ending March 29th
 1927 \$1,492,193 1929 \$2,904,884
 1928 1,593,358 1930 4,773,446



Per Share Common Years Ending March 29th
 1927 \$1.92 1929 \$4.24
 1928 2.09 1930 5.53



Surplus (Including Surplus Reserves) Years Ending March 29th
 1927 \$1,996,375 1929 \$3,987,782
 1928 2,238,303 1930 6,369,726



Net Worth Years Ending March 29th
 1927 \$8,723,782 1929 \$11,724,410
 1928 8,965,710 1930 18,347,148

May 25, 1930

TO THE STOCKHOLDERS OF
FIRST NATIONAL STORES INC.

It is again my pleasure to report, on behalf of your directors, the continued progress in the affairs of your company for the fiscal year ending March 29, 1930. The following summary of operations is presented for your consideration:

	FOR THE FISCAL YEAR ENDING		GAINED	
	MARCH 29, 1930	MARCH 31, 1929	IN \$	IN %
Net Retail Store Sales.....	\$107,635,216	\$75,884,639	\$31,750,577	41
Net Profits after Taxes, Depreciation and all Charges and available for Dividends.....	\$4,773,446	\$2,904,884	\$1,868,562	64
Per Share Common Earnings after Preferred Dividends; on average shares outstanding.....	\$5.53	\$4.24	\$1.29	30
	AS OF		GAINED	
	MARCH 29, 1930	MARCH 31, 1929	IN \$	IN %
Net Working Capital or Net Quick Assets	\$8,510,835	\$6,017,211	\$2,493,624	41
Fixed or Property Assets.....	\$10,445,064	\$6,533,972	\$3,911,092	59
Surplus.....	\$5,456,132	\$3,237,133	\$2,218,999	68
Stores and Markets Operating.....	2,549	2,002	547	27

In addition to the above operating reports, we have translated operations for several years back into graphic charts as shown on the opposite page, which will enable a clearer understanding of comparative results and the upward trend of prosperity which your company has enjoyed.

Despite rapidly declining commodity prices that have been experienced in the past year and which were immediately passed along in the form of lower retail prices to our customers, you will note that our profits have exceeded those of any year in our history. Inventories as of March 29, 1930, were based on cost or market prices, whichever were lower — thus all inventory depreciations of every kind have been deducted from earnings and currently we are operating at normal gross profits.

Your executives, realizing that prosperity in the retail field of merchandising is dependent upon the good will of the purchasing public, are ever seeking to improve our service and quality of food products and to maintain our customary low prices. Despite the unsettled conditions of the past six months, this policy has resulted in our present dollar sales per store exceeding those of a year ago. The savings on and quality of food products produced or manufactured by us has in no small way been responsible for the increase in profits and sales.

STORES AND MARKETS

Your Company had in operation on March 29:

	1930	1929
Grocery Stores.....	2,345	1,881
Markets or Combination Grocery and Meat Stores.....	204	121
Total Grocery Stores and Markets.....	2,549	2,002

During the past year, your company has acquired the following New England Chains, which have placed it in the leading position in the New England grocery field:

ECONOMY GROCERY Co. — 382 stores in Connecticut, with headquarters at East Hartford, Conn. This company had attained a leading position in the grocery field in Connecticut.

NICHOLSON-THACKRAY Co. — 120 stores in Providence, R. I., and environs, with headquarters at Pawtucket, R. I. (consolidated with Mayflower Division, Providence).

DAVEY BROTHERS Co. — 117 stores in Bridgeport, Conn., and suburbs, with headquarters at Bridgeport, Conn.

MODERN GROCERY Co. — 60 stores in Connecticut, with headquarters at South Norwalk, Conn. (consolidated with Davey Division at Bridgeport, Conn.)

YOUR COMPANY'S FOUR BASES

Somerville, Massachusetts
Providence, Rhode Island

East Hartford, Connecticut
Bridgeport, Connecticut

SOMERVILLE BASE

Contains 751,405 square feet of floor space or 17.2 acres.

The facilities of this building permit the unloading of 42 freight cars and the loading or unloading of 137 automobile trucks simultaneously. The general and executive offices and manufacturing plant are located here.

Modern bread bakeries are in operation at the Somerville, Hartford and Providence bases, which are able to supply all of New England with freshly baked bread. A cake bakery is now being installed at the Somerville base. The new plant under construction at Somerville, designed especially for the handling of meats, fruits and vegetables and the manufacture of delicatessen and other meat products, has been in substance completed and is now in operation. Planned by your company's officials with the assistance of a special engineer, the result is a plant excelling in sanitary conditions and economic and scientific operation. This building has permitted the expansion of our manufacturing departments and will include a candy manufacturing department, also a modern laundry for the cleansing and care of our store and plant employees' coats, aprons, etc.

EAST HARTFORD BASE

Since the acquisition of the Economy Grocery Co., large additions have been made to this base which now contains 215,971 square feet of floor space with ample and efficient receiving and shipping facilities. A modern bakery and a fruit and vegetable building have been completed.

BRIDGEPORT BASE

At Bridgeport, the two small warehouses of Davey Brothers and the Modern Grocery Co. headquarters at South Norwalk have been discontinued and a large, single warehouse leased that is sufficient to handle the operations of both these chains. This territory has been consolidated into one division.

PROVIDENCE BASE

In this location, the former warehouses of the Mayflower Division and the Nicholson-Thackray Co. have been consolidated for mutual use. The Nicholson-Thackray plant has been converted into a fruit and vegetable depot and all groceries and general food products are shipped from the Mayflower location. This has accomplished a substantial saving in the former cost of operations of these two acquisitions.

DEPRECIATION CHARGES

We have deducted from the operating profits of the year \$603,362.52 to cover depreciation on all tangible assets susceptible to physical depreciation. Your directors consider this sum conservatively adequate.

DIVIDENDS

The regular dividends on the company's Preferred Stocks have been paid during the past fiscal year. On January 1, 1930, the quarterly dividend on the Common Stock was increased from 37½ cents to 62½ cents per share. You will note that the increased dividend has been more than doubly earned, leaving a very substantial sum for reserves and continued development.

FINANCIAL CONDITION

From the Balance Sheet submitted herewith, you will note that the company's financial condition has continually improved and at the present time is the strongest in its history and ample working capital is in hand for operations and expansion.

THE FUTURE OF YOUR COMPANY

The distribution of food is an *essential* industry estimated to absorb one quarter of the entire national income and the outlook for your company is stable and encouraging. Many communities are yet to be served in our field and greater operating efficiency can, we believe, be achieved.

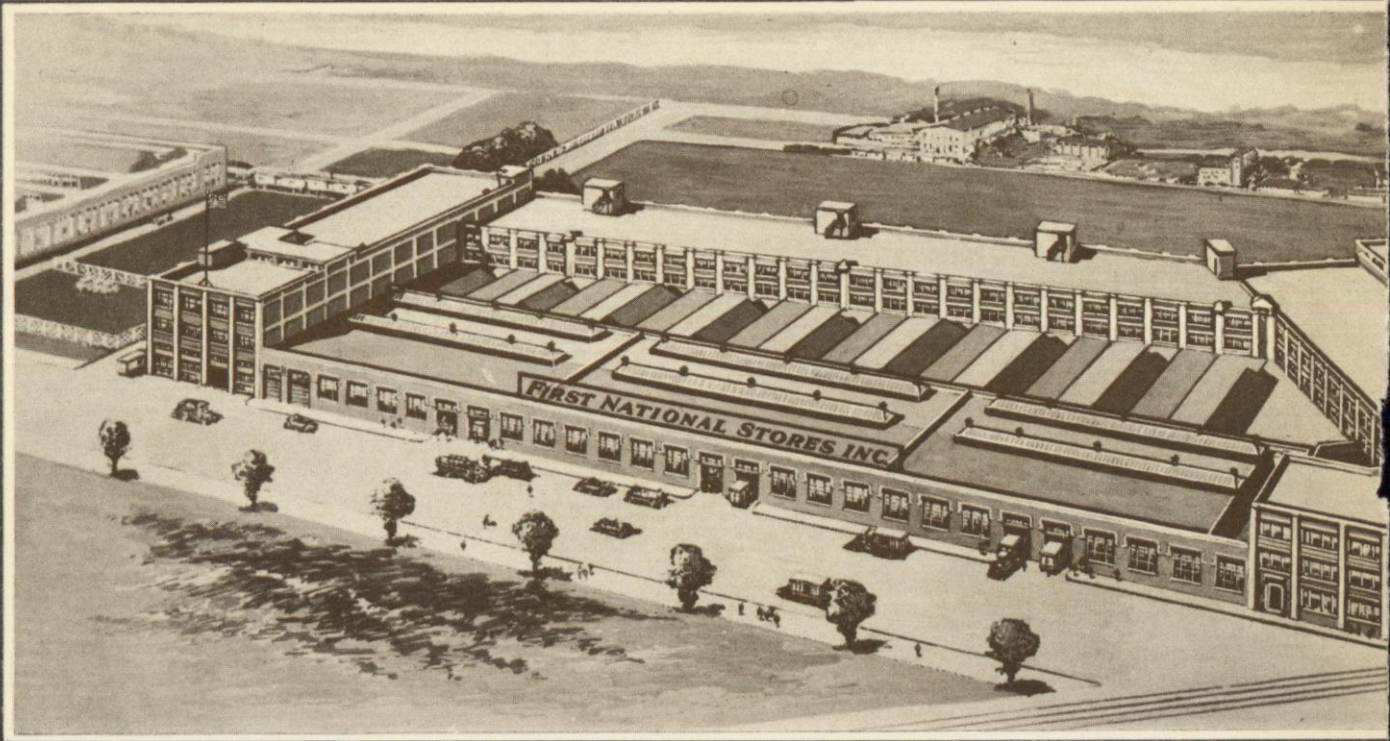
YOUR OPERATING PERSONNEL

Your directors are mostly active in your company's work and all of your officers are acting working executives. It is a pleasure to publicly express our appreciation of the loyalty and ability of the company's executives and employees, who are giving such effective and harmonious direction to its affairs and who are responsible for the growing prosperity of your company.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS — PROXIES

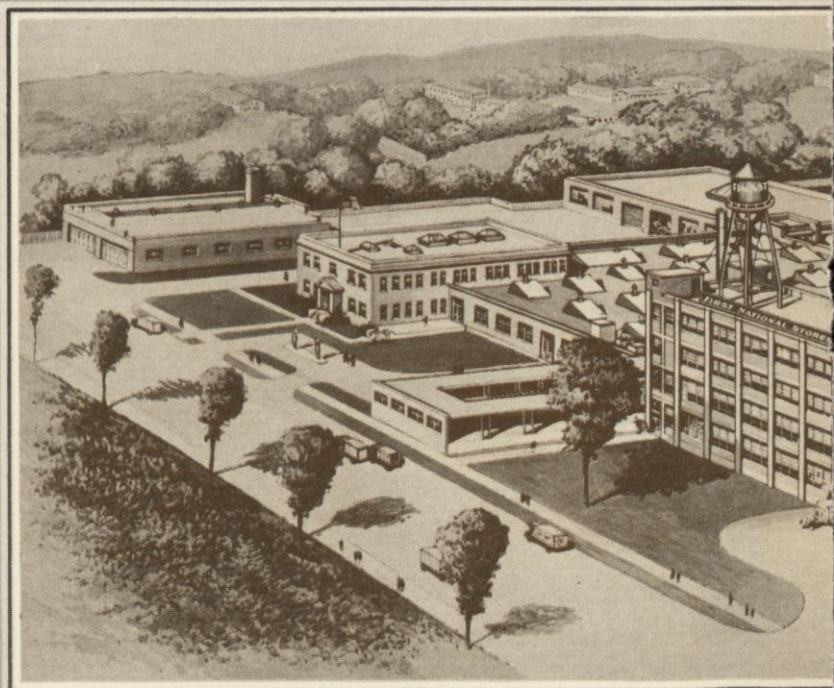
A notice of the Annual Meeting of Stockholders accompanies this report. Common Stockholders will receive a proxy made out to a Committee. As an early receipt of executed proxies will facilitate checking and listing, this Committee would appreciate it if stockholders, following their usual custom, would send their proxies promptly to them.

CHARLES H. FARNSWORTH, *President*
For the Directors
FIRST NATIONAL STORES INC.

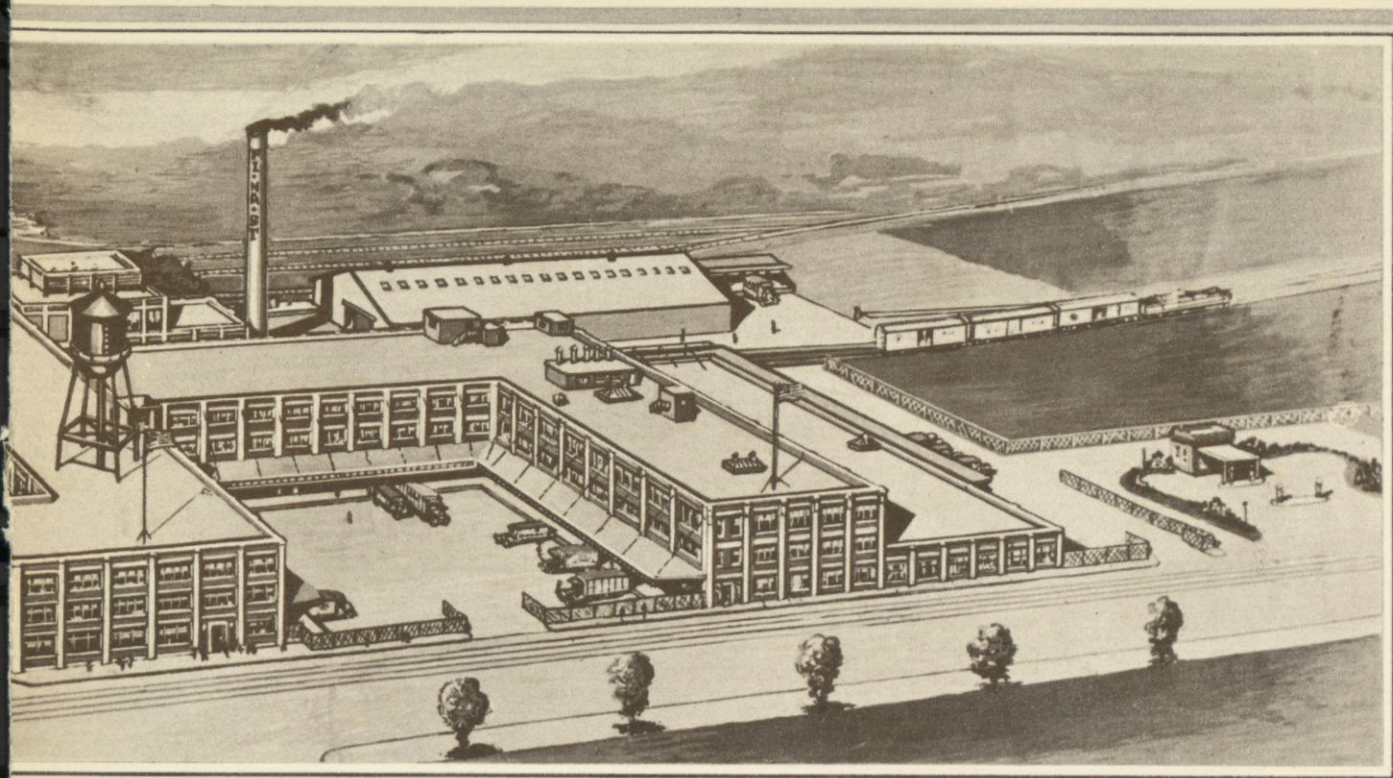


THE SOMERVILLE, MASS., BASE OF THE FIRST NATIONAL STORES. This building houses Warehouse and Receiving and Shipping Departments, Departments for Vegetables, also Bread and Cake Bakery, Manufacturing Department and Administrative Offices. The larger section to the left was occupied in the fall of 1927. The section to the right of the

The Two Principles The FIRST NATIONAL STORES

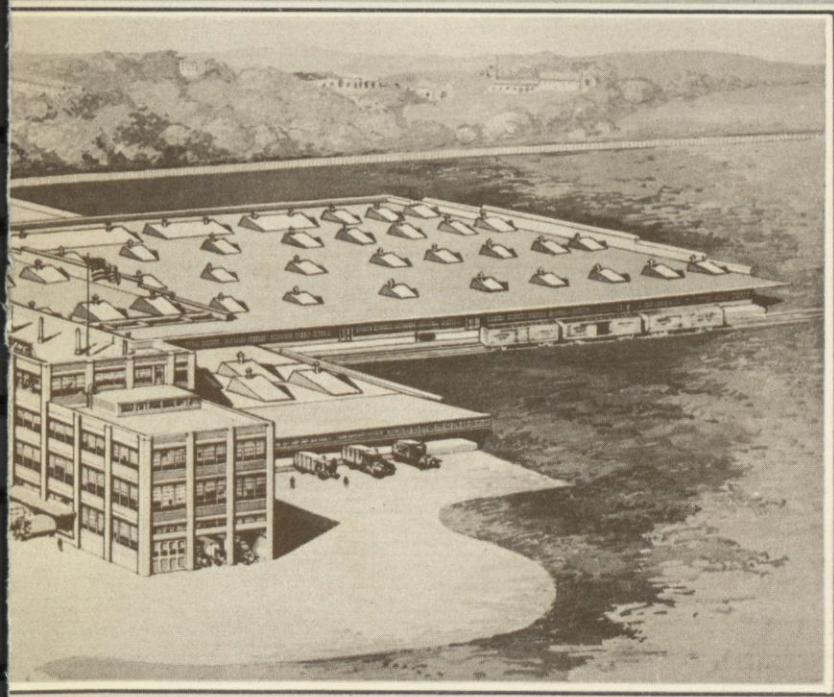


THE EAST HARTFORD, CONN., BASE. New construction includes a modern house, a modern Bread and Cake Bakery.



ES INC. On approximately seventeen acres of floor space are
 for Groceries, Fresh Meats, Fresh Fish and Fresh Fruit and
 departments, Laundry, Print Shop, Garage, Cafeteria, Salvage
 to the left of the court is the original building finished and
 court finished and occupied early in 1930 completes the base

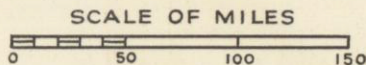
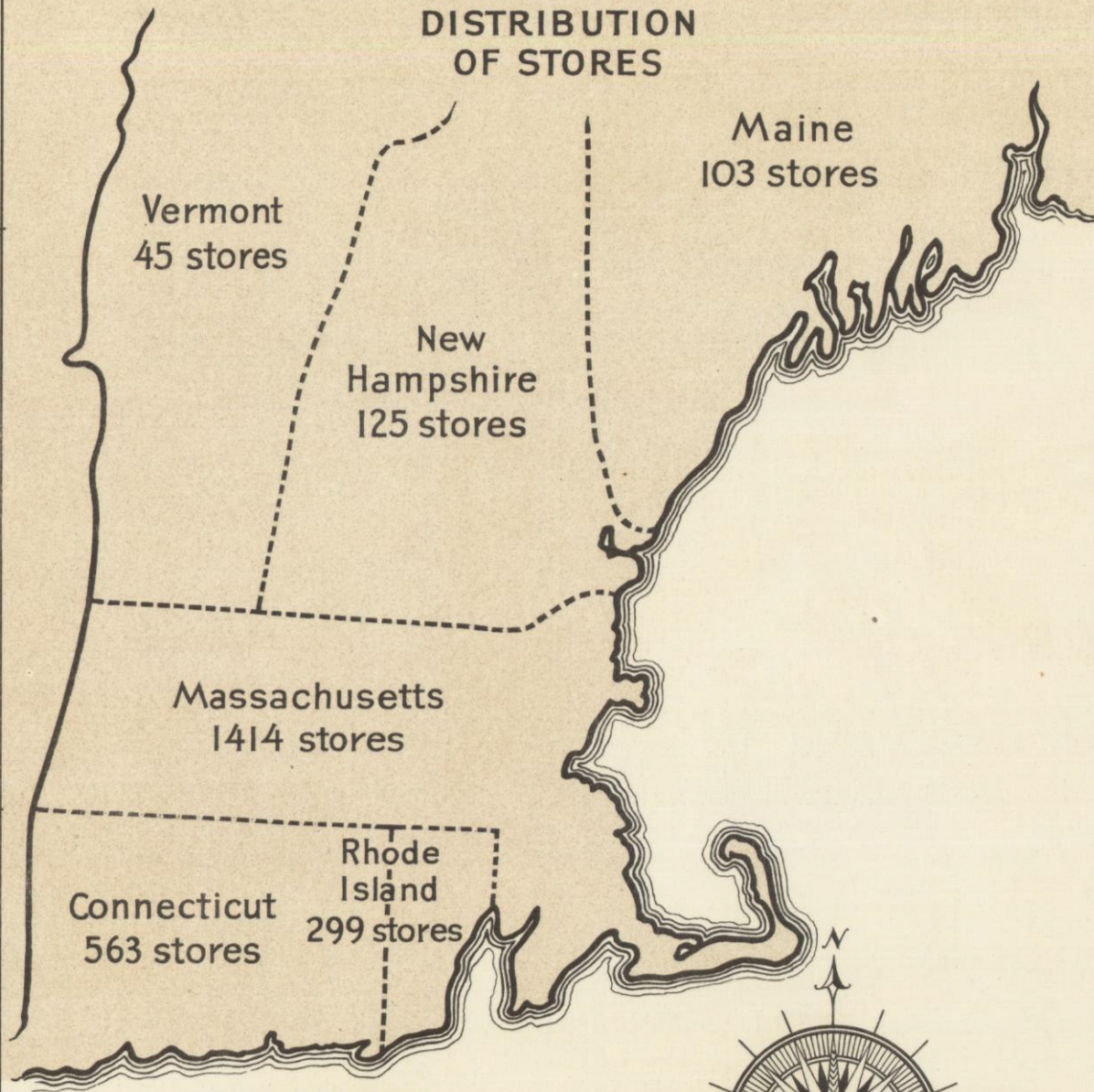
Principal Bases of **REGIONAL STORES INC.**



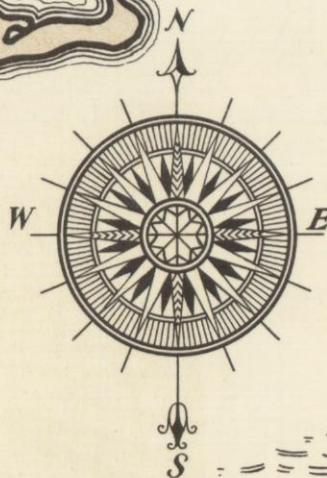
Recently completed provided an enlarged Grocery Ware-
 Fruit and Vegetable Building and Garage

FIRST NATIONAL STORES INC.

GEOGRAPHICAL DISTRIBUTION OF STORES



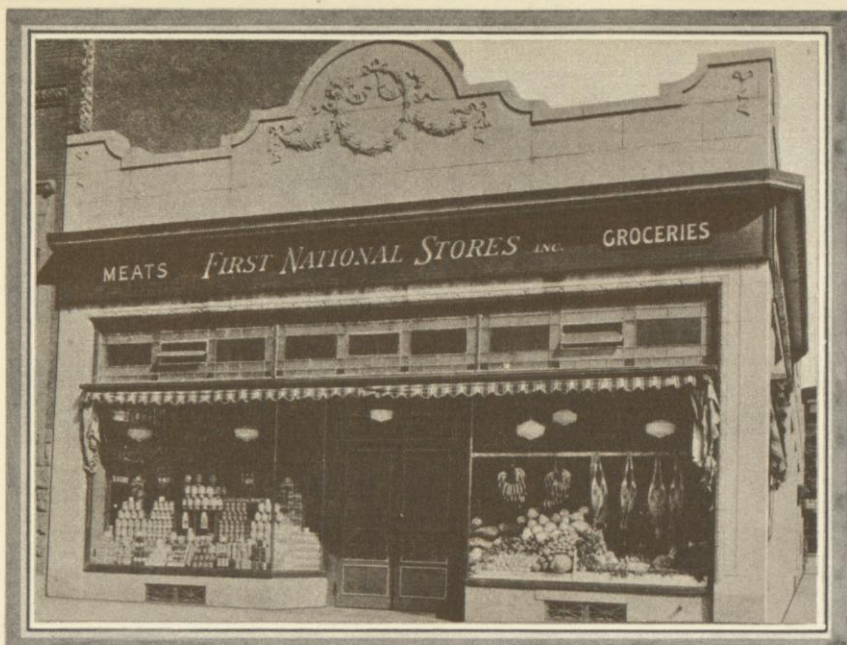
**Total Number
of Stores**
as of March 29, 1930
2549



72°

70°

*Typical
FIRST NATIONAL STORE
Units*



Above: Exterior of typical
Combination Grocery,
Meat, Fish and Vegetable
Market

Below: Interior view of
same type of store



Above: Exterior of typical Gro-
cery and Vegetable Unit

Below: Interior view of same
type of store



FIRST NATIONAL STORES INC.
AND SUBSIDIARY COMPANIES

Consolidated Comparative Balance Sheets, March 29, 1930 and March 31, 1929

ASSETS		March 29, 1930	March 31, 1929	Increase *Decrease
CURRENT ASSETS:				
Cash in banks and on hand after deducting dividends paid April 1		\$2,581,293.65	\$1,346,829.49	\$1,234,464.16
United States Treasury Certificates . . . . .		.....	302,177.88	*302,177.88
Accounts receivable		\$352,668.97	\$406,301.44	*\$53,632.47
<i>Less</i> — Reserve for bad debts		6,100.90	8,511.82	*2,410.92
		\$346,568.07	\$397,789.62	*\$51,221.55
Inventories of merchandise, materials and supplies on hand and in transit, at or below cost or market, whichever is lower		\$10,437,392.64	\$8,060,499.76	\$2,376,892.88
Total current assets		\$13,365,254.36	\$10,107,296.75	\$3,257,957.61
INVESTMENTS:				
First National Stores Inc.:				
First preferred and common shares at cost, which is approximate market		\$376,624.60	\$50,686.32	\$325,938.28
First mortgage 5% sinking fund gold bonds		13,790.00	13,790.00	.....
Miscellaneous securities and advances		225,097.81	205,213.61	19,884.20
Total investments		\$615,512.41	\$269,689.93	\$345,822.48
DEFERRED CHARGES:				
Prepaid insurance and expenses		\$327,057.17	\$245,897.33	\$81,159.84
Leaseholds . . . . .		.....	110,092.68	*110,092.68
Unamortized bond discount and expenses		45,479.13	47,546.37	*2,067.24
Total deferred charges		\$372,536.30	\$403,536.38	*\$31,000.08
FIXED ASSETS:				
Land and buildings owned		\$5,279,433.62	\$2,645,058.56	\$2,634,375.06
<i>Less</i> — Reserve for depreciation		248,865.12	116,548.03	132,317.09
		\$5,030,568.50	\$2,528,510.53	\$2,502,057.97
Building improvements, fixtures, machinery and equipment		\$7,325,766.13	\$5,938,690.19	\$1,387,075.94
Automobiles		539,814.69	363,691.91	176,122.78
		\$7,865,580.82	\$6,302,382.10	\$1,563,198.72
<i>Less</i> — Reserve for depreciation		2,451,085.27	2,296,920.70	154,164.57
		\$5,414,495.55	\$4,005,461.40	\$1,409,034.15
Total fixed assets		\$10,445,064.05	\$6,533,971.93	\$3,911,092.12
GOOD WILL		\$1.00	\$1.00	.....
		\$24,798,368.12	\$17,314,495.99	\$7,483,872.13

FIRST NATIONAL STORES INC.
AND SUBSIDIARY COMPANIES

Consolidated Comparative Balance Sheets, March 29, 1930 and March 31, 1929

LIABILITIES			
	March 29, 1930	March 31, 1929	Increase *Decrease
CURRENT LIABILITIES:			
Notes payable	\$550,000.00	\$732,575.00	*\$182,575.00
Acceptances payable under letters of credit	308,041.73	214,386.47	93,655.26
Accounts payable	2,801,349.65	2,268,665.95	532,683.70
Employees' investment certificates	631,140.00	446,320.00	184,820.00
Provision for federal taxes	563,888.25	428,138.38	135,749.87
Total current liabilities	\$4,854,419.63	\$4,090,085.80	\$764,333.83
FUNDED DEBT:			
First mortgage 5% sinking fund gold bonds	\$1,500,000.00	\$1,500,000.00	.....
Mortgages payable on real estate purchased	96,800.00	.....	\$96,800.00
Total funded debt	\$1,596,800.00	\$1,500,000.00	\$96,800.00
RESERVES:			
For contingencies	\$439,600.58	\$517,898.70	*\$78,298.12
For sinking fund preferred stocks	463,570.00	224,570.00	239,000.00
Miscellaneous	10,423.66	8,180.28	2,243.38
Total reserves	\$913,594.24	\$750,648.98	\$162,945.26
CAPITAL STOCK:			
7% first preferred:			
Authorized and issued or held for exchange for 8% preferred — 50,000 shares, par value \$100.00 each	\$5,000,000.00	\$5,000,000.00	.....
Common:			
Authorized — 1,000,000 shares without par value Issued at March 29, 1930, 827,634 shares	6,977,422.07	2,736,627.95	\$4,240,794.12
Total capital stock	\$11,977,422.07	\$7,736,627.95	\$4,240,794.12
SURPLUS	\$5,456,132.18	\$3,237,133.26	\$2,218,998.92
	\$24,798,368.12	\$17,314,495.99	\$7,483,872.13

We have examined the accounts of the First National Stores Inc. and its subsidiary companies for the years ending March 29, 1930 and March 31, 1929 and certify that, in our opinion, the above consolidated comparative balance sheets and accompanying consolidated statement of earnings and surplus account show the financial position of the combined companies at March 29, 1930 and March 31, 1929 and the results of operations for the year ending March 29, 1930.

Boston, Massachusetts
May 19, 1930

PRICE, WATERHOUSE & CO.

FIRST NATIONAL STORES INC.
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS — YEAR ENDING MARCH 29, 1930

Sales		\$107,635,216.37
<i>Less:</i>		
Cost of sales, expenses, interest and other (net) charges		101,742,211.13
		\$5,893,005.24
<i>Deduct:</i>		
Depreciation on fixed assets		603,362.52
		\$5,289,642.72
<i>Add:</i>		
Gain on disposition of capital assets (net)		37,389.33
		\$5,327,032.05
<i>Deduct:</i>		
Provision for federal taxes		553,586.10
Net profit for the year ending March 29, 1930		\$4,773,445.95

CONSOLIDATED SURPLUS ACCOUNT FOR THE YEAR ENDING MARCH 29, 1930

Surplus at March 31, 1929		\$3,237,133.26
Net profit for the year ending March 29, 1930	\$4,773,445.95	
<i>Less:</i>		
Dividends paid:		
Preferred stock	\$346,811.85	
Common stock	1,609,185.76	1,955,997.61
		\$2,817,448.34
Balance after dividends		\$2,817,448.34
Provision for sinking fund 7% first preferred stock	\$239,000.00	
Good will of companies acquired during year charged off	288,463.02	
Unamortized balance of leaseholds charged off	70,986.40	598,449.42
		\$2,218,998.92
Balance added to surplus		2,218,998.92
Surplus at March 29, 1930		\$5,456,132.18

MERRILL, LYNCH & CO.

FORTY WALL STREET

NEW YORK

June 24, 1930.

To Investment Dealers:

We take pleasure in sending you, herewith, a copy of the 1929 report of

FIRST NATIONAL STORES, INC.

The following summary of operations taken from this report may be of interest to you.

	<u>For the Fiscal Year Ending</u>		<u>Gained</u>
	<u>March 29, 1930</u>	<u>March 31, 1929</u>	<u>In %</u>
Net Retail Stores Sales	\$107,635,216	\$75,884,639	41
Net Profit after Taxes, Depreciation and all Charges and available for Dividends	4,773,446	2,904,884	64
Per Share Common Earnings after Preferred Dividends; on average shares outstanding	\$5.53	\$4.24	30
	<u>As</u>	<u>Of</u>	<u>Gained</u>
	<u>March 29, 1930</u>	<u>March 31, 1929</u>	<u>In %</u>
Net Working Capital or Net Quick Assets	\$8,510,835	\$6,017,211	41
Fixed or Property Assets	10,445,064	6,533,972	59
Surplus	5,456,132	3,237,133	68
Stores and Markets Operating	2,549	2,002	27

We suggest that you refer this report to your Statistical Department for analysis.

Yours very truly,

Merrill Lynch & Co.

MERRILL LYNCH & CO.

FORTY WALL STREET

NEW YORK

June 24, 1930

To: Investment Division

Re: Financial statements in connection with the report of the 1929 report of

FIRST NATIONAL BANK, INC.

The following summary of operations is taken from the report for the year ended

for the year ending

March 31, 1930

10	2,002,000	2,002,000	Net Worth
20	2,002,000	2,002,000	Assets
30	2,002,000	2,002,000	Liabilities
40	2,002,000	2,002,000	Equity

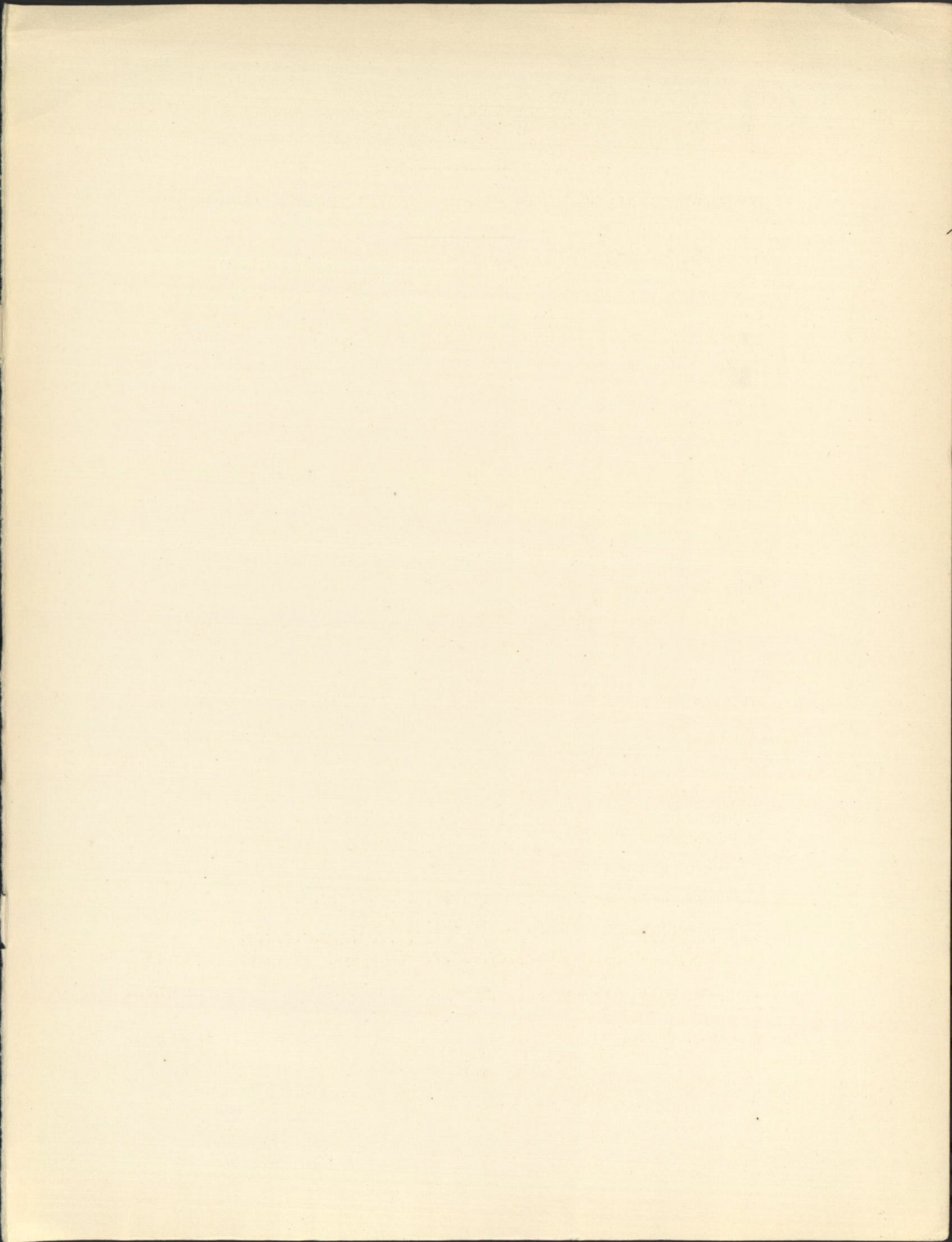
March 31, 1929

50	2,002,000	2,002,000	Net Worth
60	2,002,000	2,002,000	Assets
70	2,002,000	2,002,000	Liabilities
80	2,002,000	2,002,000	Equity

We suggest that you refer this report to your Statistical Department for analysis.

Yours very truly,

Merrill Lynch & Co.



1875
1875
1875
1875
1875